

## ARTICLE 5

### SECTION 19

#### MISCELLANEOUS PROGRAMS FOR AGED AND DISABLED INDIVIDUALS

##### 1. AGED AND DISABLED FEDERAL POVERTY LEVEL PROGRAM

###### A. General

The Aged and Disabled Federal Poverty Level Program (A&D FPL) provides zero share of cost Medi-Cal to aged or disabled individuals throughout the State of California. This program became effective January 1, 2001. This section identifies potentially eligible A&D FPL applicants/beneficiaries and describes instructions for Eligibility Technicians (ETs) to follow in order to determine eligibility and level of benefits received by A&D FPL individuals. A&D FPL is not considered a Public Assistance (PA) Program.

###### B. Eligibility Requirements

###### 1) General Standards

A potentially eligible A&D FPL individual is aged or disabled, but not residing in a Long Term Care Facility. Disabled children may be evaluated for this program. Blind individuals may be eligible to the A&D FPL Program if they are linked as either aged or disabled (in receipt of Title II disability benefits). Blind applicants/beneficiaries with no linkage as an aged or disabled individual must be referred to State Programs-Disability and Adult Programs Division in order to determine if they meet disability criteria. A complete disability packet must be submitted. (See MPG Article 5, Section 4, 5.) Item 10 of the MC 221, Disability Determination and Transmittal form, must state: "Referral is for the A&D FPL Program. Applicants currently blind need to be evaluated for disability." Substantial Gainful Activity rules apply.

ACWDL  
02-38

###### 2) Aged, Blind and Disabled (ABD) income rules (see Article 10, Section 6, 3) apply to the A&D FPL income evaluation, except for the following:

- Qualified A&D FPL individuals are entitled to a \$230 income disregard. The individual's net non-exempt income must be at or below 100 percent of the Federal Poverty Level for an individual after deductions.
- Qualified A&D FPL couples are entitled to an income disregard that is subject to adjustment with the FPL changes. See Article 11, Section 1, Appendix A-B for the current disregard amount for couples.
- The disregard amounts are determined by calculating the difference between the SSI/SSP payment standards and the current FPLs. The difference is the amount to be disregarded.

- Income eligibility determinations are to be completed using the MC 176-Aged/ Disabled FPL Program Financial Eligibility Form (10/00) (Appendix A). An Excel spreadsheet titled “Aged & Disabled Program: Income Eligibility Determination Spreadsheet” is also available at each Family Resource Center via the Corrective Action Supervisor. The use of the Excel spreadsheet is optional, however, if it is used, a printout must be placed in the case file.
- Both potentially eligible and ineligible A&D FPL household members will be included in the A&D FPL income evaluation. A potentially eligible A&D FPL individual is an ABD Medi-Cal applicant/beneficiary who is not in long term care. An ABD spouse or parent who is not requesting Medi-Cal is not potentially eligible. An ineligible member of an ABD individual’s household is a spouse, parent or child who is not potentially A&D FPL eligible. (See separate instructions in E1 below for households that include both a potentially eligible A&D FPL parent and child. See separate instructions in E2 below for households that include a Pickle person.)
- Only the income of **responsible** relatives will be included in the A&D FPL income evaluation. This includes the applicant’s income and the income of his/her spouse. If the applicant is a child, the income of the parent(s) and the child will be included.
- Section 1931(b) family members are not considered Other PA beneficiaries and must be included as ineligible MFBU members.
- A&D FPL applicants are eligible to all ABD deductions, **except the In-Home Supportive Services deduction** (see MPG 10-6-3 for allowable deductions). This includes the health care premium deduction.
- A deduction, which equals the maintenance need level of the number of ineligible household members, will be applied. (See Appendix A, A&D FPL Program Financial Eligibility Form, #19.)
- January Social Security Cost-Of-Living Allowance increases will be temporarily disregarded until the effective FPL increases are issued (generally in March). An ad hoc case listing will be distributed to staff in the month of March so staff may reevaluate eligibility based on the new FPL limits.
- A&D FPL applicants cannot choose to pay their own Medicare Part B premium once Buy-In starts in order to qualify for the A&D FPL Program. The Buy-In agreement between CDHS and the Centers for Medicaid and Medicare (the federal administrator for Medi-Cal) requires CDHS to pay the Medicare Part B premium for all Medi-Cal beneficiaries with Medicare. However, A&D FPL applicants can choose to pay the additional Medicare HMO premium instead of the State in order to qualify. See case scenario 3 in item 1.E. below.
- If a couple is eligible, both spouses will be on the A&D FPL Program. However, if both spouses cannot qualify as a couple for the A&D FPL Program, either spouse can apply separately in order to qualify. The spouse that chooses not to be in the A&D FPL Program may choose not to be on Medi-Cal or may qualify through the Medically-Needy Program with a share of cost. It is possible for spouses to be in two different programs.

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01-18

ACWDL  
02-38

### 3) Property Standards

Medically Needy property rules apply to the A&D FPL property evaluation. (See Article 9.)

#### C. Application Process

Effective January 1, 2001, Medi-Cal applicants, not residing in Long Term Care, will be screened for eligibility to the A&D FPL Program as part of the regular Medi-Cal application process. The order of evaluation when determining A&D FPL eligibility is as follows:

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01-18

- 1931(b)/Pickle
- A&D FPL/Aged, Blind, or Disabled Medically Needy (ABD MN) No Share of Cost
- ABD MN Share of Cost
- 250% Working Disabled

ACWDL  
06-41

Note: An A&D FPL eligible individual must receive benefits through the A&D FPL Program even if he/she is determined eligible to zero share-of-cost Medi-Cal through the Medically Needy Program.

ABD applicants in licensed Board and Care (B&C) may be evaluated for the A&D FPL Program and are eligible to all board and care deductions. They are entitled to receive either the PCS deduction or the income deduction for excess B&C (according to MPG 10-6-8) and the deduction will be used in the A&D FPL income evaluation.

A&D individuals are eligible to three months of retroactive benefits; however, the effective date of the benefits cannot be prior to January 1, 2001, the implementation date of the A&D FPL Program.

#### D. Master Family Budget Unit (MFBU) Composition

A&D FPL eligible individuals will be in their own MFBU and eligible couples will remain together in one MFBU. A&D FPL eligible individuals and couples will be ineligible members of the MFBU of other family members applying for or receiving Medi-Cal benefits. The income of the A&D FPL individual(s) will be included in the other family member's budget and the maintenance need level for the family will include the A&D FPL individual(s).

A&D FPL individuals may be determined eligible to the Qualified Medicare Beneficiary (QMB) Program or the Specified Low-Income Medicare Beneficiary (SLMB) Program. The QMB/SLMB benefits must be on a separate FBU from the A&D FPL benefits.

#### E. Case Scenarios

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01-18

- 1) Household consists of an A&D FPL potentially eligible child and a potentially eligible parent. The parent and child will be treated as individuals, not as a couple. Separate income evaluations will be computed and the net income will be compared to the

FPL for an individual when both a parent and a child are potentially eligible for the A&D FPL Program. The child will be included as an ineligible member of the parent's income evaluation and the parent will be included as an ineligible member of the child's income evaluation. Income of responsible relatives will be used as previously instructed.

- 2) Individuals in a household may qualify for more than one program. As an example, one person may be on the 250% Working Disabled Program while the spouse can receive benefits through the A&D FPL Program. In case situations where one spouse is potentially eligible to Pickle Medi-Cal and the other spouse is potentially eligible to the A&D FPL Program, the Pickle evaluation must be done first. If one spouse qualifies for Pickle, treat the Pickle person as you would in other public assistance programs and do not count the Pickle eligible spouse's income in the A&D FPL spouse's eligibility determination. Also, do not include the Pickle spouse in the maintenance need of the A&D FPL evaluation.
- 3) An A&D FPL applicant is paying the additional Medicare HMO premium payment and is determined eligible to the A&D FPL Program because of the OHC deduction. The State informs the beneficiary that they will begin paying the premium and the beneficiary is determined no longer eligible to the A&D FPL Program with the loss of the deduction. The beneficiary may request that the State discontinue paying the additional premium. This request must be narrated in the case file. The ET will contact the Third Party Liability (TPL) Branch at 1 (866) 227-9863 and inform them of the beneficiary's decision. TPL will inform the ET of the effective date of discontinuance of the premium payment and eligibility to the A&D FPL Program may be restored. The future month "Medicare HMO Members - Premiums Paid By Medi-Cal" list (see MPG 15-1-6C) will verify this change by the absence of the beneficiary's name.
- 4) Eligibility determinations for the Qualified Medicare Beneficiary/Specified Low-Income Medicare Beneficiary (QMB/SLMB) Programs are completely separate from the eligibility determination for the A&D FPL Program. Eligibility to the A&D FPL Program does not affect eligibility to QMB/SLMB. However, eligibility to the A&D FPL Program does affect eligibility to the Qualified Individual (QI) Programs because beneficiaries who are eligible to zero share-of-cost Medi-Cal must be denied/discontinued QI benefits.

F. Level of Benefits

A&D FPL eligible individuals who are US Citizens, US Nationals or immigrants with Satisfactory Immigration Status (SIS) will receive full-scope benefits. A&D FPL eligible immigrants without SIS will receive restricted benefits. The following aid codes will be used:

- 1H-0 Full Scope FPL Aged Individuals
- 6H-0 Full Scope FPL Disabled Individuals
- 1U-0 Restricted FPL Aged Individuals
- 6U-0 Restricted FPL Disabled Individuals

Note: A&D FPL eligible blind individuals will be linked as either aged or disabled.

G. Automation Entries

The A&D FPL Automation Grid (Appendix B) incorporates A&D FPL codes, Notices of Action for approval, denial and discontinuance (Appendices C, D, and E) and other A&D FPL automation information.

H. Period of Eligibility

Eligibility for the A&D FPL Program must be redetermined annually. Regular Medi-Cal redetermination procedures will be followed for this program. At redetermination, all A&D Medi-Cal beneficiaries, with the exception of 1931b and Pickle/DAC beneficiaries, will be evaluated for the A&D FPL Program. If the A&D beneficiary is determined eligible, he/she will be converted to the A&D FPL Program.

2. 250% WORKING DISABLED (WD) PROGRAM

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A. General

To promote self-sufficiency and encourage the disabled to seek employment without fear of losing essential health care, Section 4733 of the Federal Balanced Budget Act of 1997, Public Law 105-33, established a new optional categorically needy group known as the working disabled. Recently, California adopted this federal option (Assembly Bill 155, Chapter 820). The State elected to impose a sliding scale monthly premium instead of a Share of Cost (SOC) for those eligible to the 250 Percent Working Disabled Program. This program was implemented April 1, 2000.

B. Overview of 250 Percent Working Disabled Program

- 1) Retroactive Medi-Cal rules apply, but no earlier than April 1, 2000.
- 2) All applicants (throughout this section, "applicant" refers to a beneficiary at redetermination and restoration of benefits) must:
  - a) Meet all non-financial Medi-Cal program eligibility requirements.
  - b) Meet the federal definition of disability as defined in federal law for Social Security disability programs, except that Substantial Gainful Activity (SGA) rules do not apply.
  - c) Have some form of earned income. May include self-employment. If earned in-kind income is the only form of earnings, it qualifies as earned income. When the beneficiary stops working, ineligibility begins the month after such work ceased unless good cause is established. Good cause includes such reasons as hospitalization, inability to work that is directly related to the disability, a worksite closure, or a loss of transportation. If good cause exists and the beneficiary meets all other eligibility requirements, the county shall continue the eligibility of the beneficiary for two months following the month that the work ceased.

- d) Have net non-exempt countable income less than 250 percent of the Federal Poverty Level (FPL). Income eligibility will be primarily based on methodology used in the SSI (Supplemental Security Income) program, except that disability income of the applicant is exempt.
- e) Have net non-exempt property within Medi-Cal limits, except that certain retirement funds are exempt.
- f) Except for earnings, meet the eligibility requirements of the SSI/SSP program, though neither prior nor current receipt of SSI/SSP (State Supplemental Program) is required.
- g) Pay a monthly premium based on net countable income.
  - The monthly premium for an individual ranges from \$20 to \$250.
  - The monthly premium for a couple ranges from \$30 to \$375.
- 3) The WD Program is a voluntary program. Applicants may choose to participate in either a SOC program to which they are eligible or the WD Program. ETs are required to advise the applicants of their options and explain the advantages of either choice.
- 4) Applicants must be evaluated for potential 1931b eligibility before the WD Program and granted 1931b, if eligible. Evaluate the entire family first for 1931b. If the family is not eligible, remove the potential WD person from the MFBU and evaluate for the WD Program. If he/she is eligible, evaluate the other members of the family again for 1931b, excluding the WD person from the MFBU. Continue to evaluate the other family members for other programs if they are not eligible to 1931b or all family members if the potential WD person is not eligible to the WD Program.
- 5) Reporting responsibilities are the same for the WD Program as other Medi-Cal programs.
- 6) WD beneficiaries are entitled to a state Medicare Part "B" buy-in.
- 7) A 250 Percent WD applicant is not required to apply for Social Security Disability Insurance (SSDI) benefits if the applicant's gross earnings **exceed** the Substantial Gainful Activity (SGA) limit. SSDI benefits are not available to individuals working over SGA. WD applicants with gross earnings under SGA are required to apply for SSDI. In addition, when the gross earnings of a 250 Percent WD beneficiary decrease below SGA, the beneficiary is then required to apply for SSDI.
- 8) Working disabled individuals who have been previously denied SSDI benefits by Social Security based on the capacity to perform SGA or for insufficient work quarters shall be evaluated for Medi-Cal eligibility under the WD Program.

State  
Clarification

#### C. Level of Benefits

The new aid code for the WD Program is "6G" for adults and children. This is a **full-scope** aid code. Those in aid code "6G" will not be allowed to enroll in managed care.

Aliens who are or would be limited to restricted services under other Medi-Cal programs are ineligible under the federal requirements for the SSI/SSP program; therefore, restricted-scope aliens are not eligible to the WD Program.

D. 250 Percent Working Disabled Eligibility Requirements

1) Medi-Cal Family Budget Unit (MFBU)

- A WD eligible person (child or adult) will be in his/her own MFBU.
- A WD eligible couple will be together in their own MFBU.
- A WD eligible parent and WD eligible child will be in separate MFBUs.
- A WD eligible person is treated as an Other Public Assistance person in his/her family's MFBU.

2) Definition of a Child

For the WD Program, a child must be unmarried and not the head of a household and either:

- under the age of 18; or
- under the age of 22 and a student regularly attending school, college or a training that is designed to prepare him/her for a paying job.

3) Determine Disability

A person is considered disabled if he/she meets the criteria in Title II or Title XVI of the Social Security Act.

If the applicant has not had a disability determination or it is no longer current, follow procedures described in MPG Article 5, Section 4 for a Disability Determination Service Division (DDSD) referral except as noted below:

- Offer the WD coverage to the individual (contingent on the disability determination) prior to sending the disability package to DDSD. This ensures that the individual is interested in enrolling in the WD Program.
- Verify the WD individual's employment prior to submitting the disability package to DDSD. This ensures that the individual meets the WD criteria before submitting the disability package to DDSD.
- Do not apply SGA rules.
- When completing the MC 221 Transmittal, check the box identified as "Other" in Section No. 8 and annotate the following in Section No. 10, "250 Percent Working Disabled Program."
- It is not necessary to submit a new disability package to DDSD when an individual moves from one program to another. Examples: A WD Program individual moving to the Aged or Disabled Program or a Medically Needy (MN) individual moving to the WD Program. The exception to this rule is when there is indication of an individual's improved condition, or a reevaluation is past due or within 90 days.
- It is not appropriate to send cases to DDSD to evaluate for different programs for various months. Example: The individual may be potentially eligible for the WD Program for the retroactive months of January and February 2002, and eligible for the MN Program for the additional retroactive month of March and current month of April 2002. DDSD will evaluate cases as of the current month and retroactive months (if requested by the ET) under the WD Program only.

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4) Determine Net Non-Exempt Income

Income is determined in accordance with MPG Article 10, except as follows:

- a) Do not apply the procedures regarding in-kind income. Instead, use SSI program requirements for treating in-kind support and maintenance (ISM) as unearned income. The attached ISM rules and chart (Appendices F1-F2) provide scenarios of common living situations for determining ISM. The attached Pickle Handbook extract provides detailed ISM instructions for additional scenarios (Appendices G1-G13).
- b) All disability income, including workman's compensation, of the working disabled individual is disregarded (e.g., federal, state or private disability income).
- c) Impairment related work expenses (IRWE) are a deduction from income based on SSI methodology. IRWE are defined as those expenses of a working QMB or SLMB program applicant/beneficiary that are necessary to become or remain employed (e.g., attendant care services, transportation costs and medical devices). The IRWE deduction also applies to the WD Program.
- d) Spousal/parental deeming based on SSI methodology applies to the WD Program. Use form MC 338 J (Appendix H) to assist in this computation.
- e) One third of child support received by an applicant who is a child is disregarded. The remainder is treated as unearned income.

NOTE: The methodology for determining net non-exempt income, including the above exceptions, is contained in the new income test worksheet forms described in item 2.D.6) below.

5) Determine Net Non-Exempt Property

The property amount for a WD applicant is determined in accordance with MPG Article 9 (Section 1931(b) property regulations do not apply), except that resources of the working disabled individual in the form of retirement arrangements authorized under the Internal Revenue Code are exempt. These include:

- Individual Retirement Accounts (IRAs).
- Work related pension funds for income when employment ends, which are administered by an employer or union, including such plans as Deferred Compensation Plans and Thrift Plans.
- Plans for self-employed individuals such as KEOGH Plans.

6) Determine Whether the Net Non-Exempt Family Income of the WD Applicant is Less Than 250 Percent of the FPL



Use the SSI/SSP methodology of determining net non-exempt income. Only the income of the WD individual and his/her spouse (or the parents if the WD person is a child) is considered. Form MC 338 titled, "250 PERCENT INCOME TEST WORKSHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM-ADULTS" (Appendices I1-I2) was developed for the income determination when the applicant is an adult. The instructions for the MC 338 are in the MC 338.Instr (Appendices J1-J4).

For a child, the net non-exempt income determination form is the MC 338B titled, "250 PERCENT and THE SSI/SSP INCOME TEST WORKSHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM-CHILD APPLYING WITH OR WITHOUT INELIGIBLE PARENT (S) (Appendices K1-K2).

Net non-exempt income must be less than 250 percent of the **FPL for one person** if the person applying is a WD eligible:

- child;
- individual without a spouse; or
- individual with an ineligible spouse, but spousal deeming does not apply per the MC 338 computation.

The net non-exempt income must be less than 250 percent of the **FPL for two persons** if the person (s) applying is (are) a WD eligible:

- person and his/her eligible spouse; or
- with an ineligible spouse and spousal deeming applies.

7) Determine Whether the WD Applicant Would Be Eligible for SSI/SSP in the Absence of His or Her Earnings

a) Review Alien Status

Aliens who are or would be limited to restricted services under other Medi-Cal programs (such as the Medically Needy Program) are ineligible under federal requirements for SSI/SSP. Therefore, restricted-scope aliens are ineligible for the WD Program since one of the WD Program's eligibility requirements is that except for earnings, the individual must be eligible for SSI/SSP.

Aliens listed below who are or could be receiving full-scope services under other Medi-Cal programs are not eligible for the WD Program unless they meet certain criteria. They must be lawfully residing in the United States, in receipt of SSI on August 22, 1996, and they must meet the SSI alien status requirements. If they meet these criteria, the alien must continue to be evaluated for the WD Program.

- Voluntary Departure (INS Section 242(b))
- Order of Supervision (INA Section 242)
- Registry Alien (INA Section 249)
- Indefinite Stay of Deportation
- Suspension of Deportation (INA Section 244)

- In the United States with Permission of INS
- Deferred Action Status
- Indefinite Voluntary Departure
- Extended Voluntary Departure
- Stay of Deportation (INA Section 106)
- Immediate Relative Petition
- Application for Adjustment Status
- Lawful Temporary Resident

b) SSI/SSP Income Determination

Determine whether net non-exempt income is less than the SSI/SSP payment standard. The current standards can be found in MPG 5-10-F1. This determination is based on SSI/SSP methodology, except that disability income and earnings of the applicant are exempt in this determination. For WD eligible adults, use form MC 338A titled, "SSI/SSP INCOME TEST WORKSHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM-ADULTS" (Appendix L). For a WD eligible child, for this income test, use form MC 338B titled, "250 PERCENT and SSI/SSP INCOME TEST WORKSHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM-CHILD APPLYING WITH OR WITHOUT INELIGIBLE PARENT(S)." This is the same form that is used for the net non-exempt income test.

To determine whether the applicant(s) meet the SSI/SSP income test, net non-exempt income must be equal to or less than the SSI/SSP payment level for:

**One person** if the person applying is a WD eligible:

- child;
- individual without a spouse; or
- individual with an ineligible spouse, but spousal deeming does not apply per the MC 338 computation.

**Two persons** if the person(s) applying is (are) a WD eligible person:

- and his/her eligible spouse; or
- with an ineligible spouse and spousal deeming applies.

c) SSI/SSP Property Determination

A new combined form for adults and children was developed for the property determination. This form is the MC 338C titled, "SSI/SSP PROPERTY TEST WORKSHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM ADULT AND CHILD APPLICANTS" (Appendix M).

To meet the SSI/SSP property test, the net non-exempt property of an applicant with:

- a spouse must be less than or equal to the Medi-Cal property **level for two (\$3,000)**; or

- no spouse or who is a child, must be less than or equal to the Medi-Cal property level for one (\$2,000).

E. Determine Premium Amount

Based on net non-exempt income as determined under the WD income test for either a single child/adult applicant or a couple applying together, determine the amount of the monthly premium for an eligible individual or couple according to the chart provided titled, "250 Percent Working Disabled Premium Payment Chart" (Appendix N). Enter the amount of the monthly premium via the SOC field in BDLM. See Appendix O for detailed automation instructions.

The requirements for changing the premium amounts are similar to those for increases or decreases in the SOC for other programs. If a WD beneficiary reports a change in income, make a determination as to whether this information will affect the amount of the premium. If it is determined that the premium has to be increased, just as with a change in SOC, the ET must send a timely and adequate NOA before changing the premium increase on MEDS. The ET must send the WD beneficiary an MC 338E titled "CHANGE OF PREMIUM PAYMENT AMOUNT IN THE 250 PERCENT WORKING DISABLED PROGRAM" (Appendix S) when there is a change in the premium amount. If the premium is already posted on MEDS for the month the ET entered the increased amount, the premium change will be effective the following month.

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F. Redetermination for Other Programs

If a beneficiary is discontinued from the WD Program for failure to pay premiums, CDHS will send the beneficiary the MC 338F Notice of Action (NOA) titled, "DISCONTINUANCE FOR FAILURE TO PAY FULL PREMIUMS IN THE 250 PERCENT WORKING DISABLED PROGRAM" (Appendix P) discontinuing the beneficiary from the WD Program.

CDHS will update the MEDS record to show ineligibility and will notify the ET of the discontinuance via a worker alert. The ET must then, without delay, determine if the beneficiary is eligible for any other Medi-Cal Program and convert the case, if eligible (this also applies to discontinuances for any other reason). ETs are responsible for evaluating and sending Notices of Action for all other discontinuances of the WD Programs. Neither Ramos nor Edwards rules apply to discontinued WD cases.

G. Premium Collection System

Below is a description of the premium collection system.

1) Premium Amount

The ET determines eligibility and the amount of the premium for individuals in the WD Program. This information is transmitted to CDHS via MEDS. The ET must also send the applicant Automated Letter #963, titled 250 Percent Working Disabled Program Premium Payment Information (Appendix Q) that explains the premium system.

2) Mailing of Invoices

Workers' Responsibilities

Upon granting, Intake workers will include twelve pre-addressed postage paid envelopes (Form E-103) with the MC 338D approval notice titled, "APPROVAL FOR BENEFITS AS A 250 PERCENT WORKING DISABLED INDIVIDUAL OR COUPLE" (Appendix R). The approval NOA, along with AL 963 informs the beneficiary that premiums are due by the 10<sup>th</sup> of the following month. Extra envelopes must be provided for retroactive months of eligibility.

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Granted workers are required to send a twelve-month supply of E-103s (Appendix U) to beneficiaries that remain eligible to the 250 Percent WD Program at the completion of the annual redetermination or when requested by the 250 Percent WD beneficiary.

Any correspondence and checks relating to the 250 Percent WD Program billing or premium payments shall be referred to the Department of Health Services Third Party Liability Branch.

Department of Health Services Recovery Section  
MS 4720  
P. O. Box 997423  
Sacramento, CA 95899-9917  
(916) 650-0533

3) Collection of Premiums

Premium payments will be returned to the Department of Health Services, Third Party Liability Branch (TPLB). TPLB will process premiums as they are received. If a partial premium for a month is received, it will be deposited and reported to MEDS. MEDS program logic will be able to recognize both full and partial premium payments allowing for multiple premium payments to be made for each month.

4) Discontinuance for Failure to Pay Premiums

If full premiums have not been paid for two consecutive months, CDHS will send a timely NOA to the beneficiary informing him/her of discontinuance for the WD Program for failure to pay required premiums. The NOA will also inform the beneficiary that the county will automatically redetermine eligibility under other Medi-Cal programs. CDHS will update MEDS. The ET will receive a worker alert when this happens. It is then necessary for the ET to discontinue WD eligibility on CDS by using Negative Action code "030."

The payment or nonpayment of premiums in one or more of the three retroactive months is not a factor in determining whether the beneficiary has paid or failed to pay premiums for two consecutive months. Each retroactive month is a closed period on MEDS. For example, assume a beneficiary requests retroactive coverage for one or more months in the retroactive period. If the ET establishes eligibility and reports this information to MEDS, CDHS will generate and send invoices to the beneficiary for these retroactive months. If the beneficiary then fails to pay premiums for any of these months, there is no discontinuance or penalty period.

## AGED & DISABLED FEDERAL POVERTY LEVEL PROGRAM FINANCIAL ELIGIBILITY FORM

CASE NAME		COUNTY DISTRICT		COUNTY USE	
APPLICANT'S NAME (If different from above)		CASE #		EFFECTIVE ELIG. DATE FOR THIS BUDGET	
				Month _____	Year _____
NAME ADDITIONAL MFBU MEMBER (SPOUSE)		NAME OF ADDITIONAL MFBU MEMBER (CHILD)		OTHER COVERAGE	

☐ NEW APP.     
 ☐ REDETERMINATION     
 ☐ CHANGE     
 ☐ RETRO ELIG.     
 ☐ CORRECTION

PART A Is the applicant(s)/beneficiary(ies) aged or disabled per Title 22, Sections 50221, 50223, & 50167:  
☐ Yes, then go to Part B     
 ☐ No: Do not complete this form; if not aged refer for disability determination

PART B INCOME ELIGIBILITY DETERMINATION

**I UNEARNED INCOME**

	Elig. Individual	Elig. Spouse/Child/Parent	Inelig. Family Membr #1	Inelig. Family Membr #2
1 OASDI	\$ _____	\$ _____	\$ _____	\$ _____
2 PROPERTY NET INCOME	\$ _____	\$ _____	\$ _____	\$ _____
3 IN-KIND INCOME	\$ _____	\$ _____	\$ _____	\$ _____
4 OTHER INCOME (Include Source of Other Income)	\$ _____ Source: _____	\$ _____ Source: _____	\$ _____ Source: _____	\$ _____ Source: _____
5 OTHER INCOME (Include Source of Other Income)	\$ _____ Source: _____	\$ _____ Source: _____	\$ _____ Source: _____	\$ _____ Source: _____
6 TOTAL INCOME INDIVIDUAL UNEARNED INCOME (ADD 1 THRU 5 IN EACH COLUMN)	Total of Above Boxes: \$ _____	Total of Above Boxes: \$ _____	Total of Above Boxes: \$ _____	Total of Above Boxes: \$ _____
7 COMBINED UNEARNED INCOME (Add Totals From Row 6)	TOTAL OF BOXES IN ROW 6: \$ _____			
8 SUBTRACT \$20 (Any Income Deduction)	- \$20			
9 REMAINING UNEARNED INCOME	\$ _____			

**II EARNED INCOME**

	Elig. Individual	Elig. Spouse/Child/Parent	Inelig. Family Membr #1	Inelig. Family Membr #2
10 GROSS EARNED INCOME	\$ _____	\$ _____	\$ _____	\$ _____
11 COMBINED EARNED INCOME (Add Amounts in Row 10)	\$ _____			
12 \$65 EARNED INCOME DEDUCTION PLUS \$ _____ FROM UNUSED \$20 DEDUCTION	- \$ _____			
13 REMAINING EARNED INCOME (Subtract line 12 from Line 11)	= _____			
14 50% EARNED INCOME DEDUCTION (Divide line 13 by 2)	\$ _____			

**III NET NONEXEMPT INCOME AND ELIGIBILITY DETERMINATION**

15 TOTAL EARNED AND UNEARNED INCOME (Add lines 9 and 14)	\$ _____	
16 DISREGARD FOR QUALIFIED INDIVIDUALS OR QUALIFIED COUPLES	- \$ _____	
17 HEALTH INSURANCE PREMIUMS	- \$ _____	
18 AGED & DISABLED MEDICALLY NEEDY DEDUCTIONS: SPECIFY	- \$ _____	
19 Deduction for Allocation to Ineligible Fam. Mbrs (= MNL for number of Ineligible Family Members)	- \$ _____	
20 NET NONEXEMPT INCOME (Line 15 – Lines 16 thru 19)	= \$ _____	
21 PROGRAM INCOME LIMIT (100% FPL For Number of Individuals Being Evaluated For Eligibility)	\$ _____	
22 ELIGIBLE IF LINE 20 AMT IS LESS THAN OR EQUAL TO LINE 21 AMT	<input type="checkbox"/> ELIGIBLE <input type="checkbox"/> NOT ELIGIBLE	
23 NOTE: If ineligible, assess for eligibility for other Medi-Cal programs		

MC 176 – AGED/DISABLED FPL GROUP (10/00)

**AGED & DISABLED FEDERAL POVERTY LEVEL  
AUTOMATION GRID**

The A&D FPL Program will be a non-MACB case on CDS. The following grid defines the entries to be used on BDLM.

FBU	02 or next available FBU
ELIG Screen – Master Aid Type	MA-D
Application Date	Use date of application.
Application Code	100
Case Positive Action Code	103 (New applications only; NOA automatically generated)
Approval NOA Code	103 (sequence 2)
Denial Code	116 (NOA automatically generated)
Denial NOA Code	116 (sequence 3)
Discontinuance Code	046 (NOA automatically generated)
Discontinuance NOA Code	046 (sequence 2)
Discontinuance for any reason other over the income limit	Use regular codes as with any MX case.
Person Detail Approval Code	103 (NOA automatically generated)  <b>Use 410 transfer code if using same document to change aid code and order 103 NOA.</b>
Person Detail Aid Codes	1H-0 – Full scope FPL aged 6H-0 – Full scope FPL disabled 1U-0 – Restricted FPL aged 6U-0 – Restricted FPL disabled
Person Codes	A or C
Income Codes	<b>Use 05 if in receipt of SSA income.</b> Use regular income codes for other income.

**A&D FPL APPROVAL NOA 103**

Date  
Worker Name  
Worker Number

Client Name  
Client Address  
City, State, Zip Code

The Aged and Disabled Federal Poverty Level Program provides Medi-Cal benefits at no share of cost for aged or disabled individuals. In addition to meeting other Medi-Cal eligibility rules, the income of the aged or disabled individual(s) and responsible relatives must be within certain limits for this program.

Your application, dated \_\_\_/\_\_\_/\_\_\_, for the Aged and Disabled Federal Poverty Level Program has been approved for the following individual(s):

---

The individual(s) listed above will receive:

- ☐ Full Medi-Cal Benefits without a share of cost.
- ☐ Restricted Medi-Cal Benefits without a share of cost (services for treatment of emergency medical conditions only).

Eligibility under this program is based on the income of the individual(s) listed above and the income of any responsible relatives, in addition to other program requirements. You must let your worker know about any changes within 10 days.

You will receive a plastic benefits identification card (BIC) soon. Do not throw this card away. This card is good as long as you are eligible to Medi-Cal. If you already have a BIC card, you will not receive a new one. Take this plastic card to your doctor or other Medi-Cal provider when you request medical services.

You will receive a separate Notice of Action if another application has been made for other family members. If you have any questions, contact your worker.

The regulation which requires this action is All County Welfare Directors Letter 00-57.

**A&D FPL DENIAL NOA 116**

Date  
Worker Name  
Worker Number

Client Name  
Client Address  
City, State, Zip Code

The Aged and Disabled Federal Poverty Level Program provides Medi-Cal benefits at no share of cost for aged or disabled individuals. In addition to meeting other Medi-Cal eligibility rules, the income of the aged or disabled individual(s) and responsible relatives must be within certain limits for this program.

Your application, dated \_\_\_\_/\_\_\_\_/\_\_\_\_, for the Aged and Disabled Federal Poverty Level Program has been denied because your net countable income exceeds the Aged and Disabled Federal Poverty Level Program income limits. This does not affect your regular Medi-Cal eligibility.

This notice refers to the following individual(s):

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Do not throw away your plastic ID card. You can use it again under another regular Medi-Cal Program even if you have a share-of-cost.

The regulation which requires this action is All County Welfare Directors Letter 00-57.



**A&D FPL DISCONTINUANCE NOA 046**

Date  
Worker Name  
Worker Number

Client Name  
Client Address  
City, State, Zip Code

The Aged and Disabled Federal Poverty Level Program provides Medi-Cal benefits at no share of cost for aged or disabled individuals. In addition to meeting other Medi-Cal eligibility rules, the income of the aged or disabled individual(s) and responsible relatives must be within certain limits for this program.

Eligibility for benefits under the Aged and Disabled Federal Poverty Level Program ends on \_\_\_/\_\_\_/\_\_\_ because your net countable income exceeds the Aged and Disabled Federal Poverty Level Program income limits. This does not affect your regular Medi-Cal eligibility.

This notice refers to the following individual(s):

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Do not throw away your plastic ID card. You can use it again under another regular Medi-Cal Program even if you have a share-of-cost.

The regulation which requires this action is All County Welfare Directors Letter 00-57.

## INKIND SUPPORT AND MAINTENANCE (ISM) RULES

ISM is defined as any food, clothing or shelter that is either given to a 250 Percent WD applicant/beneficiary or received by him/her because it was paid for by another person.

Shelter includes room, rent, gas, electricity, water, sewer, and garbage collection services.

There are two ways to value the dollar amount of the ISM given to or received by the applicant/beneficiary.

1. The value of the one-third reduction (VTR). This value is one-third of the SSI (but not the combined SSI/SSP) payment rate.
2. The presumed maximum value (PMV). This value is one-third of the SSI (but not the combined SSI/SSP) payment rate + \$20. This value may be rebutted if the actual values for the item are less than the PMV.

Unless VTR applies, PMV applies when the applicant receives partial or full support from someone who is not a legally responsible relative. PMV can apply if given by a person outside the applicant's home/household.

An applicant/beneficiary is not charged both VTR and PMV in the same month. If VTR is charged, PMV may not be. These values are unearned income and used to determine income eligibility.

The following chart describes the most common situations involving ISM. If additional situations or questions arise, such as when members of a couple live apart or there is institutional care involved, please review the Attachment which reprints the ISM pages from the Pickle Handbook.

## ISM Chart

<b>Living Arrangement</b>	<b>VTR: Count 1/3 of the Applicable SSI (but not SSP) Payment Level as Unearned Income</b>	<b>PMV: Count 1/3 of the SSI (but not SSP) Payment Level + \$20 as Unearned Income</b>
<p>Applicant/beneficiary lives in own home, i.e.,</p> <ul style="list-style-type: none"> <li>- he/she and spouse living in home have ownership or life estate interest or rental liability,</li> <li>- he/she pays pro rata share, or</li> <li>- all members of the household are receiving public assistance income payments.</li> </ul>	VTR does not apply.	Count PMV to the applicant if any combination of food, shelter, or clothing given by a person who is not a responsible relative.
<p>Applicant and his/her</p> <ul style="list-style-type: none"> <li>- spouse</li> <li>- minor child, or</li> <li>- ineligible spouse (or ineligible parent if applicant is a child) whose income may be deemed to the applicant live in the household of another person who is not one of these above persons.</li> </ul>	Count VTR as unearned income to the applicant if the other person gives/pays for the applicant's food <u>and</u> shelter.	If VTR does not apply, count PMV as unearned income to the applicant if the other person gives/pays for any other combination of the applicant's food, shelter, or clothing.
<p>Applicant lives throughout the whole month in the household of another person who is not his/her spouse, child, or ineligible spouse/parent.</p>	Count VTR if the other person is giving/paying the applicant's/ beneficiary's full food AND shelter.	If no VTR, count PMV if the other person gives any other combination of food, shelter, or clothing, e.g., the applicant shares in expenses but does not pay pro rata share.
<p>Applicant lives throughout the whole month in the household of another person who is not his/her spouse, child, or ineligible spouse/parent.</p>	Count VTR if the other person is giving/paying the applicant's/ beneficiary's full food AND shelter.	If no VTR, count PMV if the other person gives any other combination of food, shelter, or clothing, e.g., the applicant shares in expenses but does not pay pro rata share.

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PICKLE HANDBOOK

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SECTION 14

IN-KIND SUPPORT AND MAINTENANCE (ISM)

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HANDBOOK LETTER NO. 3

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# PICKLE HANDBOOK

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## SECTION 14 -- IN-KIND SUPPORT AND MAINTENANCE

### Introduction

Pickle eligibility determinations are based on the Social Security Act. For purposes of determining eligibility under the Pickle Amendment, the Act requires that in-kind support and maintenance (ISM), along with other forms of unearned income, be considered. ISM is defined as any food, clothing, or shelter that is either given to or received by a Pickle applicant/beneficiary and is paid for by someone having no legal responsibility to provide same. Shelter includes room, rent, gas, electricity, water, sewer, and garbage collection services. (Complete DHS 7044 if ISM exists.)

There are two rules used to determine the dollar amount of ISM that an applicant/beneficiary receives:

1. The value of the one-third reduction (VTR).
2. The presumed maximum value (PMV).

These two rules are mutually exclusive. When the VTR rule applies in any one month, the PMV rule cannot.

Additional ISM is never charged when an applicant/beneficiary:

1. Received ISM already valued at the one-third reduction and receives additional ISM subject to the PMV, e.g., a rental subsidy.
2. Receives ISM and is already being charged the PMV.

### Applying the VTR

This is a flat one-third reduction of the Federal Benefit Rate (FBR). It applies either in full or not at all. If the VTR applies, do not count any other ISM.

Do not apply the VTR if:

1. An applicant/beneficiary lives alone, since there are no household members from whom he/she can receive ISM. The PMV is applied in this situation.
2. An applicant/beneficiary lives with a minor child or a responsible relative. The PMV is applied in this situation.
3. The applicant/beneficiary is separately consuming or separately purchasing food. The PMV is applied in this situation.

### When to Apply the VTR

Instead of determining the actual dollar value of ISM, reduce the FBR by one-third (DHS 7021, Part F, line 1) if the Pickle applicant/beneficiary (and/or potentially eligible spouse):

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## PICKLE HANDBOOK

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1. Lives in another person's household for one full calendar month and
2. Receives both food and shelter from the person in whose household he/she lives and
3. Lives with a person other than a spouse, child, or an ineligible person whose income may be deemed to the individual.

### Applying the PMV

This is used whenever ISM is counted as unearned income and the VTR does not apply.

Instead of determining the actual dollar amount of any food, clothing, or shelter received by the Pickle applicant/beneficiary, these items are presumed to be worth a maximum value. This maximum value is one-third of the FBR plus the \$20 any income deduction. (See chart for current values.) This value is counted as unearned income.

When the PMV is applied, an applicant/beneficiary is always allowed to attempt to prove his/her ISM is less than the PMV. This process is called rebutting. The PMV is not to be used if it can be documented by rebuttal that either of the following is less than the PMV:

1. The current market value (CMV) of any food, clothing, or shelter countable as ISM minus any payment the applicant/beneficiary makes for those items; or
2. The actual amount contributed by someone else for the applicant's/beneficiary's food, clothing, or shelter.

In these instances apply the actual value, instead of the PMV, as unearned income.

If the applicant/beneficiary fails to rebut the PMV, the entire amount of the PMV is counted as unearned income. In no case will the amount of ISM ever exceed the PMV.

### When to Apply the PMV

The PMV is always applied if the applicant/beneficiary or eligible couple receives partial or full support from someone who is not a legally responsible relative and the applicant/beneficiary:

1. Has ownership interest in his/her place of residence,
2. Has rental liability for his/her place of residence,
3. Is sharing food or shelter, or
4. Does not receive both food and shelter.

In addition, the PMV applies when an applicant/beneficiary is living:

1. In another person's household, but not receiving both food and shelter from that person.

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## PICKLE HANDBOOK

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2. In his/her own household, except in a public assistance household<sup>1</sup> or a noninstitutional care situation<sup>2</sup>.
3. In a nonmedical institution and someone else pays for his/her support and maintenance. The nonmedical institutions include:
  - a. A public nonmedical institution.
  - b. A public or private nonprofit educational or vocational training institution.
  - c. A private nonprofit retirement home or similar institution where there is an express obligation to provide the applicant's/beneficiary's full support and maintenance.
  - d. A for-profit institution.

### Rebutting the PMV

The applicant/beneficiary has the right to prove that the actual value of the ISM received is less than the PMV. However, until such time as evidence is submitted which proves the actual value is less than the applicable PMV, the amount of ISM received is considered to be equal to or greater than the PMV. Do not charge more than the PMV even if actual value is greater.

The applicant/beneficiary must be allowed ten calendar days to notify the county welfare department (CWD) of his/her intent to rebut the PMV.

The applicant/beneficiary must be furnished any information necessary for him/her to decide whether to rebut (e.g., how the amount of ISM was computed, the necessary types of verification). After expressing his/her intent to rebut, the CWD must allow the applicant/beneficiary five days to provide documentation for rebuttal.

The following is suggested language to be used when assigning the PMV and informing an applicant/beneficiary of his/her right to rebut the amount of ISM:

BASED ON THE INFORMATION THAT YOU GAVE US, WE FIND THAT YOU ARE RECEIVING IN-KIND SUPPORT AND MAINTENANCE IN THE FORM OF \_\_\_\_ (1) \_\_\_\_\_. UNLESS YOU HAVE EVIDENCE TO PROVE THAT THE VALUE OF THIS SUPPORT AND MAINTENANCE IS LESS THAN \_\_\_\_ (2) \_\_\_\_\_, WE WILL COUNT THIS AMOUNT AS INCOME TO YOU BEGINNING WITH \_\_\_\_ (3) \_\_\_\_\_.

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<sup>1</sup> A public assistance household is one in which every member receives some kind of public income maintenance payments (Aid to Families with Dependent Children, Supplemental Security Income/State Supplementary Payment, Refugee, General Assistance, Veterans' Administration). In this situation, the PMV is applied only if food, clothing, or shelter are received from someone outside the household.

<sup>2</sup> Noninstitutional care means all of the following must exist: (1) placement under foster or family care program; (2) placing agency is responsible for the care; (3) placement is in a private, licensed home (e.g., a relative's home can be licensed by the county using SSA form number SSP 22.); and (4) a public agency pays for the care. In this situation, the PMV only applies if the applicant/beneficiary pays less than the established rate (CMV) for the type of care received and someone else is paying the difference.

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## PICKLE HANDBOOK

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YOU HAVE THE RIGHT TO SUBMIT EVIDENCE TO SHOW THAT THE SUPPORT YOU RECEIVE IS WORTH LESS THAN \_\_\_\_ (4) \_\_\_\_\_. IF YOU HAVE EVIDENCE, YOU MUST GET IN TOUCH WITH ME WITHIN TEN DAYS OF THE DATE OF THIS LETTER.

IF I DO NOT HEAR FROM YOU BY \_\_\_\_ (5) \_\_\_\_\_, I WILL COUNT \_\_\_\_ (6) \_\_\_\_\_ AS INCOME TO YOU. IF YOU HAVE ANY QUESTIONS, OR IF YOU NEED HELP IN GETTING EVIDENCE OF THE VALUE OF SUPPORT AND MAINTENANCE YOU RECEIVE, PLEASE CALL ME AT \_\_\_\_ (7) \_\_\_\_\_.

Fill-ins:

1. Show type and source of ISM being received (e.g., "shelter because your brother pays your mortgage payment each month").
2. Show the applicable PMV of the ISM.
3. Show the month in which ISM will be counted. **NOTE:** ISM is counted in the month following the month of receipt.
4. Same as (2).
5. Show ten days after the date of the letter.
6. Same as (2).
7. Eligibility worker's telephone number.

An applicant/beneficiary who disagrees with the PMV established in accordance with the instructions in this section has the right to appeal the determination. For example, if a person elects to rebut but does not successfully prove that the actual value is less than the PMV, the individual still has the right to appeal the existence or the amount of the PMV.

Whenever PMV is charged, all of the following must be documented in the case:

1. The reasons for or the source of the ISM.
2. The value placed on the ISM.
3. That the individual/couple has been advised of his/her right to rebut the PMV.
4. That the individual/couple elected not to rebut the PMV or if he/she elected to rebut that adequate documentation was not presented.

### Determining the CMV of ISM

This section describes procedures necessary to establish the CMV of an item of ISM. This is the first step to be used in computing the actual value of ISM that is subject to the PMV.

1. Determining the amount of household operating expenses requires a signed statement from the household member who owns or rents the dwelling. When the applicant/beneficiary has the



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## PICKLE HANDBOOK

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ownership interest or rental liability, his/her signed statement estimating household expenses is acceptable verification. If no one living in the household owns or rents the dwelling, obtain a signed statement from the person who normally pays the bills.

2. If an applicant/beneficiary who owns or rents the dwelling alleges that he/she separately consumes or purchases all of his/her own food apart from other household members, obtain a corroborative statement from another adult member of the household. If separate consumption or purchase is thus verified, only count ISM for shelter.
3. If the applicant/beneficiary owns or rents the dwelling and receives ISM as the result of the contributions of other household members, determine the total amount of those contributions. If the amount exceeds the total household operation expenses, count the extra as unearned income.

### Institutionalization (Couples)

When one member of an eligible couple is in a nonmedical institution and receiving ISM, the PMV of the ISM is one-third of his/her half (i.e., one-sixth) of the couple's FBR plus \$10.

If the noninstitutionalized member of an eligible couple lives in the household of another and receives both food and shelter from someone living in that household, the value of ISM is one-sixth of the couple's FBR. If the noninstitutionalized member of a couple is in any other living arrangement, the PMV of the ISM is one-sixth of the couple's FBR plus \$10.

If one member of a couple is in long-term care for 30 days or more and is receiving Medi-Cal, the couple is treated as two individuals. Any countable ISM that a Pickle applicant/beneficiary receives is treated as if he/she was an eligible individual without a spouse.

### Receipt of Both ISM and Deemed Income

If the applicant/beneficiary lives in the household of a responsible relative, the VTR does not apply. However, if he/she lives with a responsible relative in another person's household, the VTR and the deeming rules apply.

If the applicant/beneficiary lives in the same household with someone whose income can be deemed to him/her any food, clothing, or shelter, that person provides is not ISM. However, if the applicant/beneficiary receives any food, clothing, or shelter from another source, it is ISM and it is valued using the PMV. Deeming also applies in this situation.

### Sharing

When an applicant/beneficiary cannot establish ownership interest or rental liability and he/she is living and eating meals in a household with someone other than a spouse and/or children, consider the possibility of sharing.

An applicant/beneficiary who is sharing, presumed or otherwise, is not considered as receiving any food or shelter from inside the household. Any additional ISM is valued using the PMV.

If the pro rata share is paid, the applicant is "sharing." If householder refuses to provide verification of household expenses, then "sharing" does not exist.

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## PICKLE HANDBOOK

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Sharing is established by using the Statement of Living Arrangements (DHS 7044) and averaging the household expenses and contributions for the month prior to the month of application or redetermination. Evidence must be submitted to the CWD and must include bills and receipts (e.g., cancelled checks) which establish the household expenses and verify the applicant's/beneficiary's financial contribution to the household. When such evidence is unavailable, signed statements from both the applicant/beneficiary and the householder will be accepted. (For purposes of this section, a householder is the person having ownership interest or rental liability.)

To determine the average monthly amount of these expenses:

1. Ask the householder to provide bills and receipts for the last 12 months for each of the countable expenses. Average these amounts by dividing the total of all countable expenses by 12.
2. If there are no bills or receipts available for the previous 12 months, have the householder provide the current month's bills and use that total as the countable monthly expenses. If the householder disagrees that the current bills represent the average, accept a sworn statement as to the correct amount.
3. If neither bills and/or receipts are available and the householder is unable to estimate the average monthly amount, contact the appropriate source (e.g., the utility company) and obtain the average monthly amount.

When determining the amount of household operating expenses, it is immaterial whether the members of the household have pooled their funds and collectively paid for food and shelter items or whether individual members assume responsibility for specific expenses and pay the bills directly.

### Determining the Pro Rata Share Amount

Total the monthly averages for each of the household expenses to arrive at the total average monthly household expenses. Divide this total by the number of persons living in the household. The resulting amount is the applicant's/beneficiary's pro rata share.

### Determining the Share Status

Compare the applicant's/beneficiary's monthly contribution to the pro rata share amount. If the amount of his/her contribution is within \$5 of the pro rata share amount, a sharing arrangement is found to exist. If the amount of the applicant's/beneficiary's contribution is not within \$5 of the pro rata share amount, sharing does not exist. Applicants/beneficiaries found to be sharing are not receiving ISM, although ISM from other sources outside the household (e.g., adult son pays the pro rata share) must still be pursued and counted using the PMV if applicable.

### Rental Subsidies

A rental subsidy is considered unearned income which represents ISM provided from someone who resides outside the household of the Pickle applicant/beneficiary. Whenever any member of an applicant's/beneficiary's household has rental liability and any household member is the parent or child of the landlord or the landlord's spouse, the CWD must explore the possibility that a rental subsidy is being provided.

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## PICKLE HANDBOOK

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If the rent required under the terms of the rental agreement is less than the current market rental value (CMRV) of the shelter being rented, all members of the household are receiving ISM in the form of a rental subsidy. This is true regardless of their individual rental liability. Therefore, the value of such subsidy is allocated equally among, and is chargeable to, all members of the household, including those who are ineligible or temporarily absent. The rental subsidy is counted using the PMV.

### Required Verification to Determine Rental Subsidy

The following information must be obtained whenever there is an indication that rental subsidy income exists:

1. The amount of rent required under the terms of the rental agreement.

A rental subsidy is the difference between the CMRV and the required rent and not the difference between the CMRV and the rent paid.

2. The CMRV of the shelter being rented.

When the CMRV provided by the landlord or other knowledgeable source is a range (e.g., between \$250 and \$350), average the range and use the average as the CMRV (e.g., \$300).

3. The reason for requiring a rental payment which is less than the CMRV.

When the reason for requiring a lesser rental payment is because the shelter is rent-controlled, note in the case the maximum allowable rent and consider that no rental subsidy has been provided. When the reason is because the applicant/beneficiary provides services to the landlord, determine the type of services and, if applicable, count rental subsidy as earned or unearned income.

If the landlord is either unwilling or unable to provide the reason for accepting reduced rental payments, presume the difference between the CMRV and the required rent is a rental subsidy. Always attempt to obtain the rental information through contact with the landlord prior to contacting a knowledgeable source. Contact may be made by telephone or in writing.

When contacting the landlord in writing, the following language should be used:

\_\_\_\_\_(1)\_\_\_\_\_ indicates you are the landlord of the dwelling in which \_\_\_\_\_(2)\_\_\_\_\_ lives, located at \_\_\_\_\_(3)\_\_\_\_\_.

\_\_\_\_\_(4)\_\_\_\_\_ states the required rent is \_\_\_\_\_(5)\_\_\_\_\_. Is this correct? \_\_\_\_\_ (yes/no). If not, what is the correct required rental amount? \_\_\_\_\_ (dollars). Do you consider the required rent to be less than the rent you could receive for the property on the local open market? \_\_\_\_\_ (yes/no). If you do, how much would you rent it for in the local open market? \_\_\_\_\_ (dollars).

Why do you charge a lesser or reduced rent? \_\_\_\_\_  
(reason).

Fill-ins:

1. Show name of applicant/beneficiary.

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## PICKLE HANDBOOK

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2. He/she/they as appropriate.
3. Show residence address.
4. Same as (1) above.
5. Show amount of alleged required rent.

Contact a knowledgeable source other than the landlord when the landlord is unable or unwilling to provide a CMRV for the dwelling and ten calendar days have elapsed since the initial date of the request to the landlord. Knowledgeable sources include real estate firms or rental management agencies located in the same or a similarly situated neighborhood.

### EXCLUDED -- TYPES OF ISM

The following ISM is not counted for the Pickle person.

1. ISM specifically excluded by federal law (see Income Exclusions Chart).
2. ISM which meets the criteria for infrequent or irregular unearned income (see Unearned Income Chart).
3. ISM which has no CMV.
4. ISM received under a governmental medical or social service program.
5. ISM which is assistance based on need from a state or political subdivision (see Unearned Income Chart).
6. ISM provided by other members of a public assistance household.
7. ISM from a responsible relative (e.g., spouse, parent).
8. Temporary shelter provided while waiting for completion of repairs or for replacement of an exempt principal residence.
9. ISM which is excluded under a Social Security Act approved plan for self support.
10. ISM resulting from payments made under the terms of a credit life insurance or credit disability insurance policy.
11. The receipt of the use of land without a dwelling does not constitute ISM. Similarly, third-party payments of property tax, rent, or mortgage on land alone are not counted as ISM.
12. One-third of the amount of child support received as ISM is excluded from income. The remaining two-thirds is subject to the PMV.
13. Exclude ISM food and/or shelter provided transients by non-profit community organizations supported by any State or local assistance agency; for example, subsidized meal programs or Food

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## PICKLE HANDBOOK

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Stamp assistance. ISM of "no value" is excluded. "Food of no value" includes discarded or surplus food. "Shelter of no value" means the transient is sleeping in an abandoned building or in an automobile. Reminder: food/shelter not otherwise excluded even if provided to transients is PMV, e.g, food provided free for a week from a relative is PMV. Also, PMV may be rebutted (see page 14-4, Pickle Handbook).

# PICKLE HANDBOOK

## 2005 ISM VALUES FOR COMPUTING PICKLE ELIGIBILITY

	<u>Individual</u>	<u>Couple</u>	
VTR (not rebuttable) **	\$193	\$289.66	ACWDL 04-37
PMV (rebuttable) ***	\$213	\$309.66	

The VTR is the payment level to be used in situations 1, 2, and 3 below. The PMV is the unearned income amount to be added in other situations. The following chart provides the method that must be used for determining Pickle eligibility for individuals and couples in various living arrangements.

<u>HOUSEHOLD SITUATION (LIVING ARRANGEMENT)</u>	<u>PRINCIPLE</u>
1. Living in household of another throughout a month and receiving both food and shelter from someone in the household.	Reduce the applicable payment level by one-third the Federal Benefit Rate (FBR). Use the VTR.
2. Living in household of another who is providing both food and shelter and also receiving ISM from a third party.	Reduce the FBR payment level by one-third (VTR). Exclude third party ISM.
3. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying both food and shelter.	Add VTR from the householder to deemed income from the responsible relative and add to other unearned income.
4. Living in own household (ownership or rental liability) and receiving ISM from someone outside the household.	Add PMV to other unearned income.
5. Living in noninstitutional care* situation or group home and receiving ISM from someone outside the household.	Add PMV to other unearned income.
6. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying food or shelter.	Add PMV from the householder to deemed income from the responsible relative and add to other unearned income.

(Continued on next page.)

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## PICKLE HANDBOOK

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- |     |   |   |
|-----|---|---|
| 7.  | Living in household of another and sharing partial or total household expenses.   | If pro rata share is contributed, we use the SSI/SSP payment level for a person in an "independent living arrangement." If pro rata share is not contributed, add PMV.  |
| 8.  | One member of an eligible couple lives in the household of another and receives both food and shelter from the householder while the second member lives in his/her home or a nonmedical institution. | One-sixth of the FBR for a couple for the person living in the household of another. (VTR - not rebuttable.)<br><br>One-sixth of the FBR for a couple for the person living in his/her own household. (VTR - not rebuttable.) |
| 9.  | If the noninstitutionalized spouse lives in any other situation.  | One-sixth of the FBR for a couple plus \$10.  |
| 10. | Paying less than Current Market Rental Value (CMRV) for shelter. (See page 1-2.)  | Add PMV unless criteria for earned/unearned income is met (see ISM).  |

\* All nonmedical institutions including those for education or vocational training.

Also, see page 14-3 of ISM section.

\*\* VTR = Value of One-Third Reduction.

\*\*\* PMV = Presumed Maximum Value.

## PREMIUM DIFFERENTIAL WORK SHEET IN THE 250 PERCENT WORKING DISABLED PROGRAM

Case Name	Case number
Applicant(s) name(s)	

This form is used to determine the impact of spousal or parental deeming on the premium being charged a 250 Percent Working Disabled (WD) beneficiary. Any increase in premium due to such deeming is an income deduction against the income of the spouse or parent(s) in computing their eligibility or share-of-cost in other Medi-Cal programs.

This determination is not completed if there is no spousal or parental deeming. NOTE: Parental deeming stops in the month after a child turns age 18.

### I. Premium Based on Spousal or Parental Deeming

If the 250 Percent beneficiary is an adult, complete the MC 338 with spousal deeming. If the beneficiary is a child under age 18 or in the month of his/her 18<sup>th</sup> birthday, complete the MC 338 B with parental deeming.

1. Enter total countable income from Section I, line 20 of the MC 338 or Section III, line 13 of the MC 338 B. \_\_\_\_\_
2. Enter the amount of the premium based on income on line 1. \_\_\_\_\_

### II. Premium Without Spousal or Parental Deeming

Complete the following for only the beneficiary:

3. Enter amount of retirement and survivors social security. Do not include any disability income. \_\_\_\_\_
4. Enter any other unearned income, including net income from property. \_\_\_\_\_
5. Add lines 3 and 4. \_\_\_\_\_
6. Subtract the \$20 any income deduction to get **net nonexempt unearned income**. (-\$20) \_\_\_\_\_
7. Enter gross earned income. \_\_\_\_\_
8. Subtract \$\_\_\_\_\_ of IRWE. \_\_\_\_\_
9. Add \$65 and \$\_\_\_\_\_ of any unused portion of the any income allocation and enter. \_\_\_\_\_
10. Subtract line 9 from line 8. Enter zero (0) if a minus. \_\_\_\_\_
11. Divide line 10 by 2 to get **net nonexempt earned income**. \_\_\_\_\_
12. Add amount from line 6 to get **total net nonexempt income**. \_\_\_\_\_
13. Enter premium amount based on line 12. \_\_\_\_\_

### Premium Differential

Subtract line 13 from line 2. Enter zero (0) if a minus. \_\_\_\_\_

This is the amount of the income deduction to be applied against the income of the deemor(s).



## 250 PERCENT INCOME TEST WORK SHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM - ADULTS

Case Name	Case number
-----------	-------------

Applicant(s) name(s)

### I. Income of Potential 250 Percent Individual or Couple and Income From the Ineligible Spouse With or Without Children

A. Nonexempt Unearned Income	(a) Individual or Couple Applicant(s)	(b) Ineligible Spouse
1. Applicant's retirement and survivor's social security. Do not include social security disability income.		
2. Social Security (RSDI) ineligible spouse.		
3. Net income from property.		
4. Other - itemize. Exempt any other disability income of applicant(s).		
5. Add lines 1 through 4 to get subtotal(s).		

**STOP HERE and complete sections II and III for the ineligible spouse. Then complete the remainder of this section for the applicant(s) and, if spousal deeming applies, complete the remainder for the ineligible spouse.**

6. Allocation to ineligible children from ineligible spouse (Section II, line 5.)		
7. Subtract line 6(b) from line 5(b). If minus, enter amount, without the minus sign, on line 12(b) and a zero (0) on line 7(b). Otherwise, enter amount on line 7(b).		
8. Add unearned income from lines 5(a) and, if spousal deeming applies, from line 7(b).		
9. Any income deduction.	-\$20	
10. Subtract line 9 from line 8 to get countable unearned income. If minus amount, enter amount, without minus sign, in instruction box on line 17.		

### B. Nonexempt Earned Income

11. Enter gross earned income of applicant(s) and, if deeming applies, from ineligible spouse.		
12. Per line 7(b), unused portion of allocation to ineligible children.		
13. Subtract line 12(b) from line 11(b). If minus, enter zero.		
14. Add line 11(a) and line 13(b) to get combined earned income.		
15. Enter any IRWE of potential 250 percent applicant(s).		
16. Subtract line 15 from line 14.		
17. Enter \$65 earned income deduction plus \$ of unused \$20.		
18. Subtract line 17 from line 16.		
19. Divide line 18 by 2 to get countable earned income.		
20. Add line 10 and line 19 to get total countable income. Also enter this amount on Section IV, line 1.		

MC 338 (1/01)

**II. Allocation to Minor Child(ren) from the Ineligible Spouse. DO NOT allocate from applicant(s). DO NOT include children on SSI/SSP or children eligible for the 250 Percent Program.**

(Use additional sheet if more than three children.)	(a) Child One	(b) Child Two	(c) Child Three
1. Name.			
2. Standard SSI allocation.			
3. Enter ineligible minor child's gross income. Evaluate for student deduction. Allow student a \$400 monthly disregard from earned income, up to \$1,620 per year.			
4. Subtract line 3 from line 2 to determine the allocation to each child. Enter zero if a minus.			
5. Add columns 4(a), 4(b), and 4(c) to get allocation to ineligible children. Enter here and in Section III, line 4. \$			

**III. Ineligible Spouse Income Exemption Determination. This section used for evaluation purposes only.**

1. Enter gross unearned amount for ineligible spouse from Section I, line 5(b).	
2. Enter amount of gross earned income of ineligible spouse.	
3. Add lines 1 and 2.	
4. Allocation to ineligible children entered from Section II, line 5.	
5. Subtract line 4 from line 3 to get remainder.	
6. If line 5 is less than the current standard SSI allocation, STOP. There is no spousal deeming. Do not complete any more boxes in Section I, column (b). If there is spousal deeming, complete Section I, column (b).	Please check (✓) one <input type="checkbox"/> Spousal deeming <input type="checkbox"/> No spousal deeming

**IV. 250 Percent Income Eligibility Determination**

1. Enter amount from Section I, line 20, rounded to nearest dollar.	
2. List 250 percent of the current federal poverty level (FPL). NOTE: If there is spousal deeming or a couple is applying, use the FPL for two. If only the income of the applicant is used, use the FPL for one.	
3. If line 1 is less than line 2, the applicant(s) (individual or couple) are eligible. If a couple is ineligible, redo form with only one applicant and an ineligible spouse.	

## INSTRUCTIONS

### 250 PERCENT INCOME TEST WORK SHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM - ADULTS

Form MC 338, 250 Percent Income Test Work Sheet for the 250 Percent Working Disabled program - ADULTS, is used to determine whether the ADULT applicant (individual) or applicants (couple) meet the income requirement for coverage under the 250 Percent Working Disabled program. This form is completed at the time of a new application, restoration, redetermination, change in income, or other circumstances affecting the income or correction of the income.

#### Instructions for Completion

Note: The term applicant includes a recipient for whom a redetermination is being completed.

#### Identification Section

Enter: Case name, case number, and the name of the applicant or names of both applicants if a couple is applying.

Net nonexempt income of ineligible spouses and ineligible children is determined in accordance with the provisions outlined in Title 22, Article 5 and current All County Welfare Directors Letters, except that no in-kind or support and maintenance income is counted; there is no \$50 child support disregard; ineligible children are allowed the student deduction from earned income.

#### Section I. Income of Potential 250 Percent Individual/Couple and Income of Ineligible Spouse With or Without Children

**Note:** In Section I, Column a is used for the applicant and Column b is used for the ineligible spouse, if applicable. If a couple is applying, the amounts in Column a are a combination of the couple's income.

#### A. Nonexempt Unearned Income

- Line 1. Enter any social security retirement and survivors insurance income of the applicant(s). Do NOT include any Title II disability income.
- Line 2. Enter any retirement, survivors, or disability insurance income of the ineligible spouse.
- Line 3. Enter any net income from property.
- Line 4. Enter all other unearned income. If there is unearned income based on the SSI in-kind support and maintenance requirement, enter that amount here. Do not count any other kinds of disability income of the applicant(s).
- Line 5. Add the amounts in Section I, Column a, lines 1, 3, and 4. This is a subtotal of gross unearned income of the 250 Percent applicant(s). Add the amounts in Section I, Column b, lines 2, 3, and 4. This is a subtotal of the gross unearned income of the ineligible spouse. Also enter the subtotal for the ineligible spouse in Section III, line 1.
  - Stop here and complete Sections II and III for the ineligible spouse to determine whether spousal deeming applies. If spousal deeming does not apply, do not complete the remainder of Column b for the ineligible spouse. Cross out boxes 6(b), 7(b), 11(b), 12(b), and 13(b) to ensure that no income of the ineligible spouse is combined with that of applicant(s).
  - Complete the remainder of this section for the applicant(s). If spousal deeming applies, complete the remainder of Column b for the ineligible spouse.
- Line 6. Enter on line 6(b) the total amount allocated to the minor child(ren) from the ineligible spouse. This amount is found in Section II, line 5. NOTE: Income can only be allocated from an ineligible spouse.
- Line 7. Subtract line 6(b) from line 5(b) and enter this amount on line 7(b). If line 7(b) is a minus figure, enter zero on line 7(b) and enter the amount (without the minus sign) on line 12(b). Otherwise, enter the actual amount onto line 7(b).
- Line 8. Add lines 5(a) and 7(b). This is the combined unearned income of the applicant(s) and if spousal deeming applies, that of the ineligible spouse.
- Line 9. No entry. This shows the \$20 any income deduction.
- Line 10. Subtract line 9 from line 8. This is the total countable unearned income. If the countable unearned income is a minus figure, enter zero on line 10 and enter the minus figure without the minus sign, which is the unused portion of the \$20 any income deduction, on the blank line in the instruction box on line 17.

#### B. Nonexempt Earned Income

- Line 11. Enter the gross earned income.
- Line 12. This is the amount of any allocation for any ineligible minor child(ren) that is not offset by countable unearned income. (This amount was entered pursuant to line 7b.)

- Line 13. Subtract line 12(b) from line 11(b). Enter the remainder on line 13(b). Exception: Enter zero on line 13(b) if line 12(b) is greater or equal to line 11(b).
- Line 14. Add lines 11(a) and 13(b). This is the combined nonexempt earned income of the applicant(s) and ineligible spouse if there is spousal deeming.
- Line 15. Enter any impairment related work expenses the potential applicant may have.
- Line 16. Subtract line 15 from line 14 and enter this amount on line 16. Exception: Enter zero on line 16 if line 15 is greater than or equal to line 14.
- Line 17. Enter the \$65 of the \$65 and one-half deduction plus any unused portion of the \$20 any income deduction.
- Line 18. Subtract line 17 from line 16 and enter the difference on line 18. If line 17 is greater than or equal to line 16, enter zero.
- Line 19. Divide line 18 by two. This figure equals the countable earned income.
- Line 20. Add lines 10 and 19 and enter on line 20 and on line 1 of Section IV. This is the total countable income of the applicant(s).

## **Section II. Allocation to Minor Child(ren) from the Ineligible Spouse. (Do NOT Allocate from Applicants)**

- Line 1. Enter the name(s) of ineligible children. Do not include any SSI/SSP child or children eligible for the 250 Percent Working Disabled program.
- Line 2. Enter the current year's standard SSI allocation which is the difference between the SSI federal benefit rate for a couple and for an individual. These amounts are sent out by DHS annually. If no child(ren), enter zero on line 5 and in Section I, line 6(b).
- Line 3. Enter the income amount for each child, excluding the student deduction (up to \$400 per month or \$1,620 per year from the student's earned income).
- Line 4. Subtract line 3 from line 2. This is the allocation to each ineligible child. Enter zero if a minus.
- Line 5. Total the allocation to each child. This is the total allocation to ineligible child(ren). Enter in Section III, line 4 and also complete all of Section III to determine whether this figure is also to be entered in Section I, line 6(b). If Section III, line 5 is less than the current year's standard SSI allocation, stop and do not enter in Section I, line 6(b). Otherwise, continue to complete Section I, Column (b).

## **Section III. Ineligible Spouse Income Exemption Determination**

- Line 1. Enter gross unearned income of the ineligible spouse from Section I, line 5(b). Do not include public assistance.
- Line 2. Enter the gross earned income of the ineligible spouse.
- Line 3. Add and enter the total of lines 1 and 2.
- Line 4. Enter the allocation to ineligible minor children from Section II, line 5.
- Line 5. Subtract line 4 from line 3 to determine the ineligible spouse's net income.
- Line 6. If line 5 is less than the current standard SSI allocation amount, this income is exempt and there is no spousal deeming. Enter the federal poverty level (FPL) for one in Section IV, line 2. Check the box "No spousal deeming" on line 6.
- DO NOT complete the remainder of Section I, column (b) and cross out lines 6(b), 7(b), 11(b), 12(b), and 13(b). Complete Section I, column (a) for the applicant.
- If line 5 equals or is greater than the current standard SSI allocation amount, there is spousal deeming. Enter the FPL for two in Section IV, line 2. Check the box, "Spousal deeming" on line 6. Complete the remainder of Section I, including Column (b).

## **Section IV. 250 Percent Income Eligibility Determination**

- Line 1. Enter the total countable income from Section I, line 20.
- Line 2. Enter 250 percent of the current federal poverty level (FPL). Enter the FPL for a family size of one if a single individual is applying or if there is no deeming from the ineligible spouse. If a couple is applying or there is spousal deeming, use the FPL for a family size of two.
- Line 3. If line 1 is less than 2, the individual or couple is eligible for the 250 Percent Working Disabled Program. If line 1 is greater or equal to line 2 and the determination was for a couple, complete this form again for one member of the couple and make the other spouse an ineligible spouse.

## **Remaining Information**

The eligibility worker must sign this form, enter his/her county number, if one exists, and the date this form was completed. Completion of the county use box is optional.

**250 PERCENT AND SSI/SSP INCOME TEST WORK SHEET  
FOR THE 250 PERCENT WORKING DISABLED PROGRAM - CHILD  
APPLYING WITH OR WITHOUT INELIGIBLE PARENT(S)**

Case name	Case number
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Applicant(s) name(s)

**Note:** There is no deeming from an ineligible parent if there also is a parent in the home who is on SSI/SSP or in the 250 Percent Working Disabled Program. Net nonexempt income of ineligible parents and ineligible children is determined in accordance with the provisions outlined in Title 22, Article 5 and current All County Welfare Directors Letters, except that no in-kind or support and maintenance income is counted; if there is no \$50 child support disregard; ineligible children are allowed the student deduction from earned income.

**I. Income of Ineligible Parent(s) of Potential 250 Percent Child**

<b>A. Nonexempt Unearned Income</b>	<b>Ineligible Parent(s)</b>
1. Social Security (RSDI)	
2. Net income from property	
3. Other - itemize.	
4. Add lines 1 through 3.	
5. Allocation to ineligible child(ren) entered from Section II, line 5.	
6. Remainder. Subtract line 5 from line 4. If minus amount, enter zero on line 6 and the remainder without the minus sign in the instruction box on line 10.	
7. Any income deduction.	<b>-\$20</b>
8. Remainder. Subtract line 7 from line 6. If minus, enter amount without minus in instruction box on line 11 and zero on this line. This is countable unearned income. Enter on line 14.	
<b>B. Nonexempt Earned Income</b>	<b>Ineligible Parent(s)</b>
9. Gross earned income.	
10. Unused portion of allocation to ineligible child(ren) _____. Subtract from line 9.	
11. Add \$65 earned income deduction plus \$_____ amount of unused \$20 (any income deduction).	
12. Subtract line 11 from line 10.	
13. Divide by 2 to get countable earned income.	
14. This is countable unearned income from line 8.	
15. Add lines 13 and 14.	
16. Enter parental deduction. (FBR for one if one parent lives in the home or for two if both parents live in the home.)	
17. Subtract line 16 from line 15 for the Allocation to Potential 250 Percent child. If zero or negative, enter zero in Section III, line 1 and zero on this line. <b>NOTE: If more than one child is applying, the allocation is prorated between the children.</b>	

**II. Parental Allocation to Minor Child(ren) from Ineligible Parent(s). Do not allocate to children on SSI/SSP or children eligible for the 250 percent program. (Use additional sheets if more than three children.)**

	(a) Child One	(b) Child Two	(c) Child Three
1. Name			
2. Standard SSI allocation.			
3. Enter ineligible minor child's gross income. Evaluate for student deduction. Allow student a \$400 per month income disregard from earned income, up to \$1,620 per year.			
4. Subtract line 3 from line 2 to determine the allocation to each child. Enter zero if a minus.			

5. Add columns 4a, 4b, and 4c to get allocation to ineligible children. Enter in Section I, line 5.

**III. Determine Whether Child Meets 250 Percent Test and SSI/SSP Test**

A. Child's Net Nonexempt Unearned Income		Child
1. This is the allocation from ineligible parent(s) from Section I, line 17.		
2. Enter child's social security income (do NOT include social security disability income).		
3. Enter other unearned income, excluding any other disability income.		
4. Add lines 1 through 3.		
5. Any income deduction.		<b>\$20</b>
6. Subtract line 5 from line 4. If a minus, enter amount without minus in instruction box line 9 and zero on this line. Amount on line 6 is net nonexempt unearned income. Enter on line 12 and line 17.		
B. Child's Net Nonexempt Earned Income		Child
7. Child's gross earned income.		
8. Subtract dollar amount of IRWE and student deduction.		
9. Add \$65 and _____ of the unused portion of the \$20 any income deduction.		
10. Subtract line 9 from line 8. If a minus, enter zero.		
11. Divide line 10 by 2 to get net nonexempt earned income.		
12. Net nonexempt unearned income from line 6.		
13. Add line 11 and line 12 to get total net nonexempt income.		
14. List 250 percent of the current federal poverty level for one.		
C. 250 Percent Test		
15. If line 13 is less than line 14, the child meets the 250 percent income test.		
D. SSI/SSP Test - Note: Child's earnings are exempt.		
16. Enter the SSI/SSP payment level for one.		
17. Net nonexempt unearned income from line 6.		
18. If line 17 is less than line 16, the child meets the SSI/SSP income test.		

Eligibility Worker signature	Worker number	Computation date	County Use
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## SSI/SSP INCOME TEST WORK SHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM - ADULTS

Case name	Case number
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Applicant(s) name(s)

Complete the MC 338 250 Percent Income Test Work Sheet before completing this form. Determine whether spousal deeming applies by reviewing Part III, line 6, of the MC 338. **Note: Earnings of the applicant are exempt.**

Complete Part I or Part II as appropriate.

### Part I. Spousal Deeming Applies

1. Enter the amount from line 10, MC 338 to determine total countable unearned income.	
2. Enter the amount from line 13, MC 338, to determine ineligible spouse's earned income after allocation to ineligible children.	
3. Enter the amount from line 17, MC 338.	
4. Subtract line 3 from line 2. If a minus, enter zero.	
5. Divide line 4 by 2 to get ineligible spouse's net earned income.	
6. Add line 1 and line 5 to get total countable income. Enter in Part III, line 8. Enter the SSI/SSP payment level for two in Part III, line 9.	

### Part II. Spousal Deeming Does Not Apply

7. Enter amount from line 10, MC 338, to get applicant(s) unearned income. Also, enter the amount in Part III, line 8.	
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### Part III. SSI/SSP Income Test

8. This is the total income entered pursuant to Part I, line 6, or Part II, line 7.	
9. Enter the SSI/SSP payment level for: <ul style="list-style-type: none"> <li>• one, if only a single applicant is applying or if an individual with an ineligible spouse is applying and spousal deeming does not apply,</li> <li style="text-align: center;"><b>or</b></li> <li>• two, if a couple is applying or if an individual with an ineligible spouse is applying and spousal deeming applies.</li> </ul>	
10. If line 8 is less than line 9, the applicant(s) are SSI income eligible. Otherwise, the applicant(s) are ineligible. If a couple is ineligible, redo with only one applicant.	

Eligibility Worker signature	Worker number	Computation Date	B. <u>County</u> <u>Use</u>
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MC 338 A (1/01)

**SSI/SSP PROPERTY TEST WORK SHEET  
FOR THE 250 PERCENT WORKING DISABLED PROGRAM  
ADULTS AND CHILD APPLICANTS**

Case name	Case number
-----------	-------------

Applicant(s) name(s)

**Property is defined under Article 9, Title 22, except that resources in the form of retirement arrangements of the working disabled applicant are exempted. Complete Part I or Part II as appropriate.**

**I. Applicant(s) Are Adults**

1. Enter only the net nonexempt property of the applicant and spouse. Do not consider the property of any other family members in the home.	\$
2. Enter the property limit for one person if there is no spouse or for two persons if there is a spouse.	\$
3. If line 1 is less than or equal to line 2, the property requirement is met.	\$

**II. Applicant Is a Child Who is Unmarried and Under Age 18****A. Parental Allocation**

Only consider the net nonexempt property of the parent(s) in the home; do not consider the property of any other family members.

4. Enter parent(s) net nonexempt property.	\$
5. Enter the property limit for one person if only one parent is in the home or for two if two parents are in the home.	\$
6. Subtract line 5 from line 4. Enter zero if a minus. This is the total allocation	\$
7. Divide line 6 by the number of 250 percent working disabled children in the home to get each applicant child's share.	\$

**B. Child's Net Nonexempt Property**

8. Enter child's own net nonexempt property.	\$
9. Enter the child's share from line 7.	\$
10. Add line 8 and line 9 to get child's net nonexempt property.	\$
11. Enter the property limit for one.	\$
12. If line 10 is less than or equal to line 11, the property requirement is met.	\$

**III. Child in Section II Is Ineligible (e.g., Attainment of Age 18 or There is Property Ineligibility) and There Are Additional 250 Percent Child Applicants.**

13. Take the total allocation of the property deemed from the parent(s) in line 6 and redivide it among the remaining 250 percent child applicants in the home.	\$
14. Repeat section II B for each of the remaining children.	\$

Eligibility Worker signature	Worker number	Computation Date	C. COUNTY USE
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## 250 Percent Working Disabled Premium Payment Chart Effective 4/1/05

Net Non-Exempt Income		Premium Amount	Premium Amount
From	To	For One Eligible Individual*	For An Eligible Couple**
\$ 1	The maintenance need income level (MNL) for one under the Medically Needy (MN) program. (Currently \$600)	\$20	\$30
\$601 (MNL for one + \$1)	\$700	\$25	\$40
\$701	\$900	\$50	\$75
\$901	\$1,100	\$75	\$100
\$1,101	\$1,300	\$100	\$150
\$1,301	\$1,500	\$125	\$200
\$1,501	\$1,700	\$150	\$225
\$1,701	\$1,900	\$175	\$275
\$1,901	\$2,100	\$200	\$300
\$2,101	250 Percent of the federal poverty level (FPL) for two (for year 2005 - \$2,673)	\$250	\$375

\* This column is for an eligible child, an eligible unmarried adult or a married individual with a spouse where the spouse is not eligible for the 250 Percent Working Disabled program. In the case of an eligible married individual where there is an ineligible spouse and spousal deeming applied, eligibility is based on the federal poverty level (FPL) for two so that countable income for premium purposes can be as high as the FPL for two.

\*\* This column is for eligible couples. Eligibility is based on countable income of both and tested against the FPL for two.

## 250% Working Disabled Automation

CDS:

The 250% Working Disabled Program is a non-MACB case on CDS. The following grid defines the entries used on BDLM.

### CDS INSTRUCTIONS

FBU	02
ELIG Screen – CASE AID TYPE	6G-0
Application Date	Use date of application
Application Code	100, 200, 300, 400
Positive Action Code	109, 209, 309, 409
<b>Note:</b> Positive Action Date should always equal the PC effective date on a 6G approval, as this is a non-MACB case.	
PREMIUM AMOUNT – ENTER IN SOC FIELD on ELIG Screen	<div style="display: flex; justify-content: space-between;"> <div>SUB AMT 1 CD</div> <div>SUB AMT 2 CD</div> <div>SOC AM CD</div> </div> <div style="display: flex; justify-content: space-between;"> <div>0000 00</div> <div>0000 00</div> <div>00375</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Q (Old SOC)</div> <div></div> <div></div> </div> <div style="display: flex; justify-content: space-between;"> <div>.....</div> <div>.....</div> <div>00020</div> </div> <div style="display: flex; justify-content: space-between;"> <div>(Premium)</div> <div></div> <div></div> </div>
NOA	Auto generated from ELIG Code
Approval	109
Change	915
*Discontinuance (Non payment)	030
Informing Notice	963
Approval – Retro Eligibility	923
*Disc for any reason other than non payment	Use regular codes as with any MX2 case
PDT1 SCREEN – PERSON AID TYPE	6G-0
PERSON CODES	A OR C

MEDI-CAL  
NOTICE OF ACTION  
DISCONTINUANCE FOR FAILURE TO PAY  
FULL PREMIUMS IN THE 250 PERCENT WORKING  
DISABLED PROGRAM

[ County Stamp ]

[ ]

State number: \_\_\_\_\_

District: \_\_\_\_\_

[ ]

Discontinuance from the 250 Percent  
Working Disabled program for:

\_\_\_\_\_

\_\_\_\_\_

(names)

We have reviewed all information about your payment of premiums in the 250 Percent Working Disabled program and have determined that you have not paid the required premiums for \_\_\_\_\_ and \_\_\_\_\_.  
(month) (month)

Your enrollment in the 250 Percent Working Disabled program will be discontinued, effective the last day of \_\_\_\_\_.

If you have any questions about your premium payments, you may call the DHS Third Party Liability Branch at (916) 650-0533.

If you are eligible for Medicare, this means that \_\_\_\_\_ is the last month the state  
(month)  
will pay your premium for Part B Medicare supplementary insurance coverage. You will receive a written notice from the Social Security Administration, or you may call your Social Security district office if you have questions about your Medicare status.

This discontinuance action does not affect your eligibility for any other Medi-Cal program. You will receive another notice from your County Department of Social Services concerning any other Medi-Cal coverage for which you may be eligible. If you have any questions about such eligibility, please write or telephone your county eligibility worker.

DO NOT THROW YOUR PLASTIC ID CARD AWAY. You can use it again if you become eligible for Medi-Cal.

This action is required by Welfare and Institutions Code Section 14007.9.

County Stamp

**250 PERCENT WORKING DISABLED PROGRAM  
PREMIUM PAYMENT INFORMATION**

There are two steps for coverage under the 250 Percent Working Disabled program. First, you must meet the eligibility requirements, such as California residency and the income and property tests. Second, after you are determined eligible, you must pay a monthly premium payment amount to be enrolled so that this program can cover services. This program requires the payment of premiums even if there are no services expected to be received in a month, just like an insurance program.

Eligible couples pay a combined monthly premium to be enrolled.

The County Department of Social Services (CDSS) determines eligibility and the amount of the premium. If you are eligible, the CDSS reports this information to the California Department of Health Services (DHS). Until DHS automates the Premium Payment Collection System, CDSS will be the agency that sends the envelopes with preprinted invoices to you.

Here are the rules for enrolling and staying enrolled.

1. A new eligible applicant must pay his/her premium for the first month in which he/she wants coverage before he/she is enrolled. Eligible couples will have a combined premium, which must be met before they are enrolled. CDSS will provide you with pre-addressed, postage paid envelopes. Use these envelopes to return your premium to DHS.
2. If a new eligible applicant has applied and been found eligible for any of the three retroactive months prior to the month of application and wants coverage in those months, he/she must pay the premiums for each of these months before he/she can be covered. These premium amounts will be reflected on your approval notice for retroactive eligibility to the 250 Percent Working Disabled Program.
3. Payments will be due by the 10<sup>th</sup> of the next month.

4. It is very important that you:

- Put your name, address, and Client Index Number (CIN), which is found on your Benefits Identification Card (BIC), on your payment (on your check or money order) so DHS can immediately credit it to your account; and

- Return the payment in the pre-addressed, postage paid envelope to DHS. This will ensure expedited processing of your premium payment.

**Do not send your payment in cash.**

5. There will be a \$25 charge if a check is returned for such reasons as insufficient funds in the account.

6. A beneficiary will be discontinued from this program for failure to pay full premiums for two consecutive months. If you are discontinued, your CDSS will evaluate you for other Medi-Cal programs.

7. A beneficiary will have a six-month penalty period as follows if he/she is discontinued for failure to pay full premiums for two consecutive months. The individual will be treated as a new applicant again if he or she wants to reenroll. The CDSS will have to redetermine eligibility and report it to DHS. Then,

- If the individual wants to reenroll during the six-month penalty period, he/she will have to pay the premium for the first month of coverage AND the past due premiums for the two months when full premiums were not paid.

- If the beneficiary wants to reenroll after the six-month penalty period, he/she will have to pay the premium for the first month of coverage.

If you have any questions about your eligibility or the amount of your premium, call your CDSS eligibility worker at the number listed at the top of this notice. If you have any questions about the payments you have made or your account, you may call the DHS Premium Collection Unit at (916) 650-0533.

MC 338G Informing Notice

County Stamp

OFFICE HOURS: 8 AM TO 5 PM  
THIS AFFECTS: \_\_\_\_\_

We have reviewed your application/case to see if you are eligible for the 250 Percent Working Disabled Program. This program allows eligible individuals and couples to pay premiums for full coverage under Medi-Cal.

We have determined that beginning \_\_\_\_\_, you meet the basic eligibility requirements for the 250 Percent Working Disabled Program. However, before Medi-Cal can begin to cover your medical expenses under this program, you must pay the first continuous month's premium.

If you already have a plastic Benefits Identification Card (BIC), this card will be used for this program. If you do not already have a BIC card, you will receive one soon. Do not throw this card away. This card is good as long as you are eligible for Medi-Cal. Take this plastic card to your doctor or other Medi-Cal provider when you request medical services.

The amount of your monthly premium is \$ \_\_\_\_\_. This is based on your net nonexempt income of \$ \_\_\_\_\_. We have not counted your disability income in making this determination.

Pre-addressed, postage paid envelopes with preprinted invoices are included with this notice. Use these envelopes to return your payments to the California Department of Health Services. To expedite processing, include your name and your Client Index Number (CIN), which is found on your BIC card, with your payment and return it in the pre-addressed postage paid envelope.

To continue your enrollment under this program, you must pay the monthly premium by the 10<sup>th</sup> of the following month.

This action is required by All County Welfare Directors' Letter 00-16.

\_\_\_\_\_  
Eligibility Worker

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Date

MC 338D (1/01) Approval to 250% WD Program

County Stamp

OFFICE HOURS: 8 AM TO 5 PM  
THIS AFFECTS: \_\_\_\_\_

Your monthly premium for enrollment in the 250% Working Disabled Program has been changed to \$ \_\_\_\_\_ per month beginning \_\_\_\_\_. The amount of your monthly premium is based on your net nonexempt income of \$ \_\_\_\_\_. We have not counted your disability income in making this determination.

Please be sure to use the pre-addressed, postage paid envelopes with preprinted invoices when sending in your payments. To expedite processing, also include your name and client index number (CIN), which is found on your Benefits Identification Card (BIC), with your payment.

To continue your enrollment under this program, you must pay the monthly premium that is due. Your premium payment is due by the 10<sup>th</sup> of the following month.

This action is required by All County Welfare Directors' Letter 00-16.

MC 338E (1/01) 250% WD Program Premium Change

[ County Stamp ]

[ ]

[ ]

[ ]

OFFICE HOURS: 8 AM TO 5 PM  
THIS AFFECTS: \_\_\_\_\_

We have reviewed all information available to use about your circumstances and find that effective for the month(s) of \_\_\_\_\_, you meet the basic eligibility requirements for retroactive cover under the 250 Percent Working Disabled Program. You are responsible for making premium payments for each month in which you want to be enrolled for retroactive coverage.

The amount of your monthly premium for \_\_\_\_\_ is \$ \_\_\_\_\_.

The amount of your monthly premium for \_\_\_\_\_ is \$ \_\_\_\_\_.

The amount of your monthly premium for \_\_\_\_\_ is \$ \_\_\_\_\_.

This is based on your net nonexempt income of \_\_\_\_\_. We have not counted your disability income in making this determination.

Pre-addressed, postage paid envelopes with preprinted invoices are included with this notice for you to use in returning your premium payment to the Department of Health Services.

You may choose to be enrolled for any or all of the retroactive months. You must indicate which month(s) you wish to be enrolled in and pay that month's premium before you are covered for that month(s).

To expedite processing, include your name and your client index number (CIN), which is found on your Benefits Identification Card (BIC), on your payment.

Take your plastic card to each medical provider where you received services in the above months. If you have paid your premium(s) for these retroactive months, your plastic card will show your provider that you are enrolled.

This action does not affect your application for current and ongoing Medi-Cal. If you have any questions about this action or if there are more facts about your conditions, which you have not reported to us, please write or telephone us at \_\_\_\_\_.

This action is required by All County Welfare Directors' Letter 00-16.



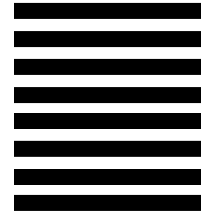
E-103



NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES



POSTAGE WILL BE PAID BY ADDRESSEE



RECOVERY SECTION-PAU  
MS 4720 DEPT 155  
DEPARTMENT OF HEALTH SERVICES  
PO BOX 997423  
SACRAMENTO CA 95899-9917



Name \_\_\_\_\_ Name \_\_\_\_\_

Premium amount due: \$ \_\_\_\_\_ Apply to Month/Year \_\_\_\_\_ / \_\_\_\_\_ Retro: Y / N

AMOUNT ENCLOSED \$ \_\_\_\_\_ .00

**DO NOT SEND CASH !!**  
**DO NOT SEND PAYMENT TO THE COUNTY !!**

Please write your Social Security Number on your check or money order.  
Failure to do so could result in a delay posting your payment and result in  
your termination from the program. Please write any new information in  
the space below:

Address \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Telephone Number (                      ) \_\_\_\_\_